

HON. RON PAUL OF TEXAS BEFORE THE US HOUSE OF REPRESENTATIVES January 6, 2005

Government IDs and Identity Theft

Mr. Speaker, today I introduce the Identity Theft Prevention Act. This act protects the American people from government-mandated uniform identifiers that facilitate private crime as well as the abuse of liberty. The major provision of the Identity Theft Prevention Act halts the practice of using the Social Security number as an identifier by requiring the Social Security Administration to issue all Americans new Social Security numbers within five years after the enactment of the bill. These new numbers will be the sole legal property of the recipient, and the Social Security administration shall be forbidden to divulge the numbers for any purposes not related to Social Security administration. Social Security numbers issued before implementation of this bill shall no longer be considered valid federal identifiers. Of course, the Social Security Administration shall be able to use an individual's original Social Security number to ensure efficient administration of the Social Security system.

Mr. Speaker, Congress has a moral responsibility to address this problem because it was Congress that transformed the Social Security number into a national identifier. Thanks to Congress, today no American can get a job, open a bank account, get a professional license, or even get a driver's license without presenting his Social Security number. So widespread has the use of the Social Security number become that a member of my staff had to produce a Social Security number in order to get a fishing license!

One of the most disturbing abuses of the Social Security number is the congressionally-authorized rule forcing parents to get a Social Security number for their newborn children in order to claim the children as dependents. Forcing parents to register their children with the state is more like something out of the nightmares of George Orwell than the dreams of a free republic that inspired this nation's founders.

Congressionally-mandated use of the Social Security number as an identifier facilitates the horrendous crime of identity theft. Thanks to Congress, an unscrupulous person may simply obtain someone's Social Security number in order to access that person's bank accounts, credit cards, and other financial assets. Many Americans have lost their life savings and had their

credit destroyed as a result of identity theft. Yet the federal government continues to encourage such crimes by mandating use of the Social Security number as a uniform ID!

This act also forbids the federal government from creating national ID cards or establishing any identifiers for the purpose of investigating, monitoring, overseeing, or regulating private transactions among American citizens. At the very end of the 108th Congress, this body established a *de facto* national ID card with a provisions buried in the "intelligence" reform bill mandating federal standards for drivers' licenses, and mandating that federal agents only accept a license that conforms to these standards as a valid ID.

Nationalizing standards for driver's licenses and birth certificates creates a national ID system pure and simple. Proponents of the national ID understand that the public remains wary of the scheme, so proponents attempt to claim they are merely creating new standards for existing state IDs. However, the "intelligence" reform legislation imposed federal standards in a federal bill, thus creating a federalized ID regardless of whether the ID itself is still stamped with the name of your state. It is just a matter of time until those who refuse to carry the new licenses will be denied the ability to drive or board an airplane. Domestic travel restrictions are the hallmark of authoritarian states, not free republics.

The national ID will be used to track the movements of American citizens, not just terrorists. Subjecting every citizen to surveillance diverts resources away from tracking and apprehending terrorists in favor of needless snooping on innocent Americans. This is what happened with "suspicious activity reports" required by the Bank Secrecy Act. Thanks to BSA mandates, federal officials are forced to waste countless hours snooping through the private financial transactions of innocent Americans merely because those transactions exceeded \$10,000.

The Identity Theft Prevention Act repeals those sections of federal law creating the national ID, as well as those sections of the Health Insurance Portability and Accountability Act of 1996 that require the Department of Health and Human Services to establish a uniform standard health identifier--an identifier which could be used to create a national database containing the medical history of all Americans. As an OB/GYN with more than 30 years in private practice, I know the importance of preserving the sanctity of the physician-patient relationship. Oftentimes, effective treatment depends on a patient's ability to place absolute trust in his or her doctor. What will happen to that trust when patients know that any and all information given to their doctors will be placed in a government accessible database?

By putting an end to government-mandated uniform IDs, the Identity Theft Prevention Act will prevent millions of Americans from having their liberty, property, and privacy violated by private and public sector criminals.

In addition to forbidding the federal government from creating national identifiers, this legislation forbids the federal government from blackmailing states into adopting uniform standard identifiers by withholding federal funds. One of the most onerous practices of Congress is the use of federal funds illegitimately taken from the American people to bribe states into obeying federal dictates.

Some members of Congress will claim that the federal government needs the power to monitor Americans in order to allow the government to operate more efficiently. I would remind my colleagues that, in a constitutional republic, the people are never asked to sacrifice their liberties to make the jobs of government officials easier. We are here to protect the freedom of the American people, not to make privacy invasion more efficient.

Mr. Speaker, while I do not question the sincerity of those members who suggest that Congress can ensure that citizens' rights are protected through legislation restricting access to personal information, the only effective privacy protection is to forbid the federal government from mandating national identifiers. Legislative "privacy protections" are inadequate to protect the liberty of Americans for a couple of reasons.

First, it is simply common sense that repealing those federal laws that promote identity theft is more effective in protecting the public than expanding the power of the federal police force. Federal punishment of identity thieves provides cold comfort to those who have suffered financial losses and the destruction of their good reputations as a result of identity theft.

Federal laws are not only ineffective in stopping private criminals, but these laws have not even stopped unscrupulous government officials from accessing personal information. After all, laws purporting to restrict the use of personal information did not stop the well-publicized violations of privacy by IRS officials or the FBI abuses of the Clinton and Nixon administrations.

In one of the most infamous cases of identity theft, thousands of active-duty soldiers and veterans had their personal information stolen, putting them at risk of identity theft. Imagine the

dangers if thieves are able to obtain the universal identifier, and other personal information, of millions of Americans simply by breaking, or hacking, into one government facility or one government database?

Second, the federal government has been creating proprietary interests in private information for certain state-favored special interests. Perhaps the most outrageous example of phony privacy protection is the "medical privacy" regulation, that allows medical researchers, certain business interests, and law enforcement officials access to health care information, in complete disregard of the Fifth Amendment and the wishes of individual patients! Obviously, "privacy protection" laws have proven greatly inadequate to protect personal information when the government is the one seeking the information.

Any action short of repealing laws authorizing privacy violations is insufficient primarily because the federal government lacks constitutional authority to force citizens to adopt a universal identifier for health care, employment, or any other reason. Any federal action that oversteps constitutional limitations violates liberty because it ratifies the principle that the federal government, not the Constitution, is the ultimate judge of its own jurisdiction over the people. The only effective protection of the rights of citizens is for Congress to follow Thomas Jefferson's advice and "bind (the federal government) down with the chains of the Constitution."

Mr. Speaker, those members who are not persuaded by the moral and constitutional reasons for embracing the Identity Theft Prevention Act should consider the American people's opposition to national identifiers. The numerous complaints over the ever-growing uses of the Social Security number show that Americans want Congress to stop invading their privacy. Furthermore, according to a survey by the Gallup company, 91 percent of the American people oppose forcing Americans to obtain a universal health ID.

In conclusion, Mr. Speaker, I once again call on my colleagues to join me in putting an end to the federal government's unconstitutional use of national identifiers to monitor the actions of private citizens. National identifiers threaten all Americans by exposing them to the threat of identity theft by private criminals and abuse of their liberties by public criminals, while diverting valuable law enforcement resources away from addressing real threats to public safety. In addition, national identifiers are incompatible with a limited, constitutional government. I, therefore, hope my colleagues will join my efforts to protect the freedom of their constituents by supporting the Identity Theft Prevention Act.